

# INVESTING

## FBN MONEY MARKET FUND

All data as at March 31st 2019 unless otherwise stated



### Fund Overview

#### Investment objective

The Fund seeks to maximise current income in line with prevailing Nigerian money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity by investing in a broadly diversified portfolio of short-term, high quality money market securities.

### Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA
Fund launch date	24 <sup>th</sup> September 2012
Fund size	₦137.50bn
Base currency	(₦)
NAV per share	₦100.00 <sup>^</sup>
Minimum investment	₦5,000.00
Minimum holding period	30 days*
Income accrual	Daily
Income distribution	Quarterly
Annual management fee	0.75%
Total Expense Ratio	0.90%
Risk profile	Low**
Benchmark	91 day Nigerian Treasury Bill (NTB)

### Fund Highlights

The Fund is an open ended mutual fund that invests in a broad range of money market securities such as Treasury Bills, Commercial Papers, Bankers Acceptances and Certificates of Deposits issued by rated banks in Nigeria.

The Fund is suitable for temporary or medium term cash investments and offers an efficient alternative to investing directly in cash deposits. The Fund aims to offer a high level of security coupled with a competitive yield.

### Investor Profile

The Fund may be suitable for investors who are seeking an alternative to cash deposits for their medium term or temporary cash investments, including the liquidity components of investment portfolios or diversification to an existing equity portfolio.

Source: FBNQuest Asset Management

\* Redemption period: 3 - 5 business days.

No additional charges are applied on redemption. However, units redeemed earlier than the 30 business days minimum holding period will incur a processing fee of 20% on the income earned on the value of such redemptions.

\*\* The Fund has a 'Low' risk profile given it invests the majority of its assets in money market securities. A low risk fund is protected against any adverse losses. A low risk profile does not mean a risk-free investment.

<sup>^</sup> Price is stated net of fees and expenses. The fund manager is required to maintain a stable price (NAV) of ₦100.00.

<sup>^^</sup> 30 Day Moving Average Annualised yield is stated net of fees and expenses.

Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

### Monthly Comments

#### Fund and market review

The Monetary Policy Committee (MPC) met in the month of March and decided to reduce the Monetary Policy Rate (MPR) by 50bps to 13.5% while retaining Cash Reserve Ratio (CRR) at 22.5% and liquidity ratio at 30%. The MPC sees outlook for the Gross Domestic Product (GDP) growth in the Nigerian economy as being fragile in the near term and as such the MPR was cut in an attempt to tame inflation, support the naira and stimulate economic growth.

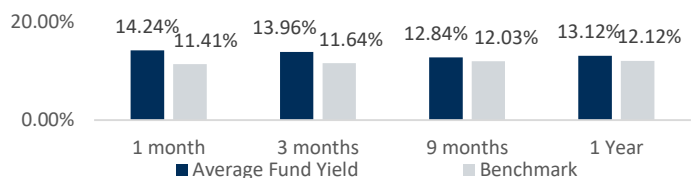
An aggressive bullish sentiment overwhelmed the Treasury Bills space in March, especially on the long end of the curve due to strong demand from foreign portfolio investors. There was limited supply of treasury bills on the long end of the curve at the Open Market Operations (OMO), which led to a decline in yields on the long end of the curve and an inverted yield curve. At the primary market auction (PMA), the 91day, 182day and 364day papers stop rates dropped by about 40 bps in-month to 10.30%, 12.20% and 12.345% respectively.

The Fund recorded a yield of 14.12% as at 31st March 2019, and outperformed its benchmark which recorded 11.41%. The Fund's performance was positively impacted by the investment strategy adopted by the Fund Manager. The 30 day moving average yield in March for the Fund rose to 14.24% from 14.18% recorded in February.

#### Fund and Market Outlook

In our view, the foreign exchange (FX) rate stability remains paramount for the Central Bank of Nigeria (CBN) and as such we expect the CBN to continue to manage liquidity conditions through various channels including weekly FX interventions, CRR debits and OMO auctions. We expect yields in the market to be directed by PMA and OMO stop rates. The Fund will continue to deliver attractive returns to unitholders.

### Performance Summary



### Historic prices and yields

	Nov-18	Dec-18	Jan-19	Feb-19	Feb-19
Price (₦) <sup>^</sup>	100.00	100.00	100.00	100.00	100.00
Annualised yield <sup>^^</sup>	12.47%	12.94%	13.44%	14.18%	14.24%

### Asset Allocation Ranges

Bank tenored placements	10-75%
Treasury bills and short-government securities	25-100%
Other money market securities	10-75%

### Current Allocation

